

CITY OF SAN JOSE

DEFERRED COMPENSATION BENEFITS

REQUEST FOR PROPOSAL

Section 1: General Information

The section below is to be completed by all proposers:

Legal Name	
Street Address	
City/State/Zip	
Telephone/Fax	
E-mail Address	
Internet address	

Mailing address if different from above:

Street Address	
City/State/Zip	

Form of Organization	
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F.E.I.N.	
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Primary Contact Name	
Street Address	
City/State/Zip	
Telephone/Fax	
e-mail Address	

1.A. Is your firm owned by or affiliated with any other organization(s), involved directly or indirectly in any area or aspect of insurance or reinsurance?	YES ()	NO ()
1.B. If yes, identify organization and relationship.		
2. Please identify other names used within the past five years.		
3. How long has your organization been providing sales and / or servicing of 457 plans?		
4. How long has your organization been providing sales and / or servicing of other types of retirement plans?		
5. Is special licensing required for sales, marketing and / or servicing of <u>your</u> 457 plan? If yes, explain	YES ()	NO ()

6. Please indicate with an “X” the scenario(s) this proposal is based upon: (See instructions on pages 8 and 9 of the Introduction and Summary for submission of more than one scenario).	
6.1. SCENARIO 1: City contracting with a single provider with all existing assets transitioning immediately at no cost or penalty to the City or participants;	()
6.2. SCENARIO 2: City contracting with a single provider for all new deferrals and unencumbered assets. Encumbered assets will remain with existing provider until available for transition without penalty.	()
6.3. SCENARIO 3: City contracting with two (2) providers.	()

CERTIFICATION OF COMPLIANCE WITH SUBMISSION REQUIREMENTS

Acknowledge your acceptance of the Submission Requirements in Exhibit A with your signature and date. Any proposal not meeting these specifications may be considered, at the sole discretion of the CITY, as non-responsive. No Certification of Compliance shall be accepted which has not been signed in ink in the appropriate space below by a person authorized to bind the firm:

(signature):_____ Date: _____

Name and Title (print or type): _____

Firm’s Name (print or type): _____

Firm’s Address (print or type): _____

ADDITIONAL REQUIREMENTS

Before an agreement can be signed between the City and the successful provider, agreement on the items below is required. The City initiates the discussion on these items in the exhibits identified below. Indicate if the City's standards are acceptable to you as is. If not, identify in Section 11 (and/or in clearly marked attachments, as necessary) your areas of concern and your proposed resolutions.

Exemplar Agreement—Exhibit B	Yes () No () If “No”, identify proposed changes in attachments.
Insurance Requirements—Exhibit C	Yes () No () If “No”, identify proposed changes in attachments.

PRIMARY SELECTION CRITERIA

Section 2: Historical Return of Investment & Performance

2.1 Historical Return on Investment

Provide an actual historical performance rate of return, net yield to participant, net of all charges and expenses, and assuming reinvestment of all dividends and capital gains for the five year period beginning January 1, 2001 and ending December 31, 2005. If you are proposing a customized Stable Value fund provide historical returns for similarly structured accounts. Explain any differences in the investment strategy between the proposed account and the account for which performance is shown.

Example:

ASSET CLASS	2001	2002	2003	2004	2005	3 Yr. Average	3 Yr. Index	+/-	5 Yr. Average	5 Yr. Index	+/-
GROWTH											
ABC Fund	23.50%	23.56%	12.65%	13.65%	22.95%	16.42%	20.36%	-3.94%	19.26%	18.04%	1.22%

ASSET CLASS	2001	2002	2003	2004	2005	3 Yr. Average	3 Yr. Index	+/-	5 Yr. Average	5 Yr. Index	/-
MONEY MARKET							TBD	#VALUE!		TBD	#VALUE!
STABLE VALUE							TBD	#VALUE!		TBD	#VALUE!
BOND							TBD	#VALUE!		TBD	#VALUE!
							TBD	#VALUE!		TBD	#VALUE!
LARGE CAP GROWTH							TBD	#VALUE!		TBD	#VALUE!
LARGE CAP BLEND							TBD	#VALUE!		TBD	#VALUE!
LARGE CAP VALUE							TBD	#VALUE!		TBD	#VALUE!
MID CAP GROWTH							TBD	#VALUE!		TBD	#VALUE!
MID CAP BLEND							TBD	#VALUE!		TBD	#VALUE!
MID CAP VALUE							TBD	#VALUE!		TBD	#VALUE!
SMALL CAP GROWTH							TBD	#VALUE!		TBD	#VALUE!
SMALL CAP BLEND							TBD	#VALUE!		TBD	#VALUE!
SMALL CAP VALUE							TBD	#VALUE!		TBD	#VALUE!
INTERNATIONAL EQUITY							TBD	#VALUE!		TBD	#VALUE!
GLOBAL EQUITY							TBD	#VALUE!		TBD	#VALUE!
INDEX FUND							TBD	#VALUE!		TBD	#VALUE!
							TBD	#VALUE!		TBD	#VALUE!
ASSET ALLOCATION											
CONSERVATIVE							TBD	#VALUE!		TBD	#VALUE!
MODERATE							TBD	#VALUE!		TBD	#VALUE!
AGGRESSIVE											
LIFE-CYCLE											
OTHER							TBD	#VALUE!		TBD	#VALUE!

2.2. Individual Account Periodic Payment Investment Performance

PERFORMANCE ILLUSTRATION #1

Provide an actual historical performance illustration for a representative investment accumulation, net of all charges and expenses, and assuming reinvestment of all dividends and capital gains for the five year period beginning January 1, 2001 and ending December 31, 2005. Assume a \$100.00 contribution on the first day of each month. If you are proposing a customized Stable Value fund provide an historical illustration for similarly structured accounts. Explain any differences in the investment strategy between the proposed account and the account for which performance is shown.

ACCUMULATED BALANCE AT YEAR END

CLASS OF ASSETS/FUND	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
Money Market					
Stable Value					
Bond					
Large Cap Growth					
Large Cap Blend					
Large Cap Value					
Mid Cap Growth					
Mid Cap Blend					
Mid Cap Value					
Small Cap Growth					
Small Cap Blend					
Small Cap Value					
International Equity					
Global Equity					
Index Fund					
Asset Allocation					
Conservative					

Moderate					
Aggressive					
Life-Cycle					
Other (specify)					

2.3. Individual Account Lump Sum Investment Performance

PERFORMANCE ILLUSTRATION #2

Provide an actual historical performance illustration for a representative investment accumulation, net of all charges and expenses, and assuming reinvestment of all dividends and capital gains for the five-year period beginning January 1, 2001 and ending December 31, 2005. Assume a \$10,000.00 lump sum contribution on January 1, 2001. If you are proposing a customized Stable Value fund provide an historical illustration for similarly structured accounts. Explain any differences in the investment strategy between the proposed account and the account for which performance is shown.

ACCUMULATED BALANCE AT YEAR END

CLASS OF ASSETS/FUND	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
Money Market					
Stable Value					
Bond					
Large Cap Growth					
Large Cap Blend					
Large Cap Value					
Mid Cap Growth					
Mid Cap Blend					
Mid Cap Value					
Small Cap Growth					
Small Cap Blend					
Small Cap Value					
International Equity					
Global Equity					
Index Fund					
Asset Allocation					
Conservative					
Moderate					
Aggressive					

Life-Cycle					
Other (specify)					

2.4. Fund Objectives, Analysis & Ratings

CLASS OF ASSETS/FUND	ASSET/FUND* OBJECTIVE	BETA	SHARPE RATIO	MORNINGSTAR RATING	TICKER SYMBOL
Money Market					
Stable Value					
Bond					
Large Cap Growth					
Large Cap Blend					
Large Cap Value					
Mid Cap Growth					
Mid Cap Blend					
Mid Cap Value					
Small Cap Growth					
Small Cap Blend					
Small Cap Value					
International Equity					
Global Equity					
Index Fund					
Asset Allocation					
Conservative					
Moderate					
Aggressive					
Life-Cycle					
Other (specify)					

*Refer to website www.sstbenefits.com for key to Morningstar fund objective categories.

2.5 Fixed Income Product	
A. Background	
1. Description, e.g., General Account, Pooled Stable Value, Customized Stable Value, etc.	
2. How long has your company managed this account	
3. How is interest credited, i.e., portfolio or new money/old money?	
4. Please provide a quarterly chart of interest rates for the past five years, (if new money/old money applies show both.	
B. Features	
1. List any restriction regarding transferability of funds into and out of any fund, (please indicate if they apply to an individual's account or the total account).	
2. At any time does a Market Value Adjustment (MVA) apply to either the individual's account or the total account? If yes, is the MVA a one way or two way calculation?	
3. Please indicate any restrictions on withdrawals/distributions that would apply to an individual during the accumulation phase or at or after separation from service.	
C. Description of Composition of the Stable Value/Fixed Interest Account.	
1. Average effective maturity	
2. Average effective duration	
3. Average credit quality of the fixed income investments	
4. Break out each sector of investments composing the portfolio into the following:	
a. Cash	
b. Government	
c. Public Corporate	
d. Mortgage Backed Securities	
e. Private Placement	
f. Mortgages	
g. Real Estate	
h. Equity	
i. Asset Backed Securities	
j. Other	

5. If you are offering a pooled account please indicate the percentage of assets in the account that belong to the largest 10 employers	
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2.6 Socially Responsible Investment Options	
A. What percentage of your clients (457 or 401k or similar plans) have or had you include SRI mutual fund options to plan participants (employees/retirees)?	
B. Of the portion of clients including SRI options, what percentage of clients have educational policies on SRI funds? Describe policies, including copies of materials applicable.	
<p>C. What percentage of clients proactively defined what they mean by “Socially Responsible” in some way (informal feedback, screening analysis by social issue, etc.), if any?</p> <p>1. For percentage of clients who proactively defined what they meant by “Socially Responsible,” provide breakdown of definitions and your descriptions of how the clients communicated this to you (spelled out in investment policy, loose/informal guidance language, etc.)</p> <p>2. Provide list of public agencies that proactively defined “Socially Responsible”</p>	
D. For clients who only asked that SRI options be available without defining “Socially Responsible,” what questions / feedback did you request from your clients on “Socially Responsible” definitions, if any?	
E. Describe your questions/special information needs, if any, to implement SRI fund options.	
F. What mechanism did you use to determine the SRI fund(s) recommended to your clients? Was there a weighing of “Socially Responsible” value versus the “pure” financial categorization (e.g., where it fell in the MorningStar style box), and if so how is it done?	
G. If adding a few SRIs among a group of other (e.g., funds reflecting MorningStar style-box diversity)	

options, how do you determine which style aspect [large cap, growth, international, etc.] to select for an additional SRI-fund option?	
H. Is compliance with definition of “Socially Responsible” [trustee/administrator defined where applicable, or in investment policy, or fund managers claimed goals, etc.] verified as part of fund reviews.	
I. When evaluating financial performance of a SRI fund, are they compared only against similarly “Socially Responsible” SRI funds, or against mutual funds of a similar MorningStar style (large cap, growth, etc.)?	

Section 3: Record-keeping Services

3.1. Record-keeping Services		
A. Description of Record-keeping Services.		
1. Is it a proprietary or leased system?		
2. How long has it been in place?		
3. How many clients are on the system?		
4. Please document your back up procedures.		
B. Record Keeper		
1. Who is used as Record Keeper?		
2. How long has Record Keeper provided 457 services?		
3. What is your relationship / arrangement with Record Keeper?		
C. Reports		
1. How frequently are the reports and statements available to participants?		
2. How soon after a reporting period end are the statements available to participants?		
D. Database		
1. How do you propose to obtain your initial database, (i.e., names, addresses, etc.)?		
2. How is the database updated?		
3. What are your electronic data transfer capabilities?		
E. Interface Description		
1. With whom will City personnel be in contact?		
2. Who is the secondary contact?		
3. If there are standardized forms / procedures, please provide samples / information.		
F. Other Record-keeping Services Provided		
1. List key services provided		
2. What services are included?		
3. What services, if any, which are necessary for the administration of the plan, do you not provide?		
4. Who typically provides these services that you do not provide?		
G. Self-Directed Brokerage Account (SDBA)		
1. Do you offer a SDBA?	Yes ()	No ()
2. If so, who is the record keeper of the SDBA?		
3. Describe all SDBA fees:		
a. Annual fee		

b. Transaction fee	
c. Asset fee	
d. Any other fee	
4. What restrictions, if any, does the SDBA have?	
5. Describe the processing procedure for “buy” or “sell” orders to the SDBA.	
6. Describe the timeline for “buy” or “sell orders” to the SDBA.	
7. Describe the investments available through the SDBA portal.	
H. What security do you provide to assure that no identity theft occurs for participants?	
I. How are participants compensated for any identity theft losses they may incur?	
3.2. Financial Planning Services	
A. Do Planning Services Include:	
1. Individual counseling?	Yes () No ()
2. Regular informational mailings?	Yes () No ()
3. Computer software?	Yes () No ()
4. Group workshops and seminars?	Yes () No ()
B. What are the qualifications of your financial planning advisors?	

Section 4: Fees/Charges Disclosure

4.1. Revenue Requirements	
A. Identify All Revenue Requirements necessary to manage the City’s Plan including:	
1. Direct revenue received from City of San Jose Plan.	
2. Fund revenue received directly from specific funds proposed for City.	

4.2. Fees / Charges Disclosure							
Please identify any and all charges and expenses associated with the investment options you intend to offer plan participants. Charges and expenses should be expressed as either a percentage of each dollar deposited, a percentage of assets managed, or a per-participant charge. Indicate by asterisk (*) those fees <u>not</u> negotiable by law.							
CLASS OF ASSETS/FUND	Asset Fee	Mgmt. Fee	Admin. Fee	12-b-1 Fee	Mortality /Risk	Other Fees	Total Charges
Money Market							
Stable Value							
Bond							

Large Cap Growth							
Large Cap Blend							
Large Cap Value							
Mid Cap Growth							
Mid Cap Blend							
Mid Cap Value							
Small Cap Growth							
Small Cap Blend							
Small Cap Value							
International Equity							
Global Equity							
Index Fund							
Asset Allocation							
Conservative							
Moderate							
Aggressive							
Life-Cycle							
Other (specify)							

4.3. Fee / Charges Disclosure – continued	
A. Identify all charges and expenses of propose investment options. List following charges and expenses as: a) percent of each dollar deposited, b) percent of assets managed, or c) per-participant charge.	
1. Acquisition charges, (i.e. commissions, loads, and similar expenses).	
2. Marketing charges, (i.e. 12b-1 fees and similar expenses).	
3. Investment management fees and similar operating expenses.	
4. Contact charges and similar operating expenses.	
5. Surrender charges, (i.e. charges to liquidate or transfer assets).	
6. If your proposal includes surrender charges, please indicate clearly under what situations charges apply.	
7. If the City elects to accept qualified funds 401(k), 403(b) etc. and you are required to provide separate account administration, what, if any, additional administrative fees will be charged?	
8. Are there any fees related to the City's compliance with the Economic Growth and Tax Relief Reconciliation Act? If so, please identify both the services and the fees.	
9. Other – identify and explain	
B. Describe what restrictions, if any, apply to:	
1. Intra-fund transfers.	
2. Transfer to other investment vendor	
3. Plan termination	
4. Payout to participant	
5. Other	
C. Describe all record-keeping fees. Provide a sample record-keeping service contract.	
D. Describe any fees or charges, if any, not covered above.	
E. Highlight any fees or charges listed above which are different from your standard fees.	

4.3 Administration Fees / Charges Scenario 1 (see instructions)

2006/2007 FEE STRUCTURE				
Fee / Charges	# Plan*	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,600			\$0.00
NAV Fee		\$500,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2007/2008 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,800			\$0.00
NAV Fee		\$550,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2008/2009 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,000			\$0.00
NAV Fee		\$600,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2009/2010 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,200			\$0.00
NAV Fee		\$650,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

4.4 Administration Fees / Charges

Scenario 2 (see instructions)

2006/2007 FEE STRUCTURE				
Fee / Charges	# Plan*	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,600			\$0.00
NAV Fee		\$500,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2007/2008 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,800			\$0.00
NAV Fee		\$550,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2008/2009 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,000			\$0.00
NAV Fee		\$600,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2009/2010 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,200			\$0.00
NAV Fee		\$650,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

4.5 Administration Fees / Charges

Scenario 3 (see instructions)

2006/2007 FEE STRUCTURE				
Fee / Charges	# Plan*	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,600			\$0.00
NAV Fee		\$500,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2007/2008 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	7,800			\$0.00
NAV Fee		\$550,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2008/2009 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,000			\$0.00
NAV Fee		\$600,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

2009/2010 FEE STRUCTURE				
Fee / Charges	# Plan	Estimated Annual	Rate Per Month	Annual Cost
Method	Participants	Net Asset Value		to Participants
Fixed Fee				\$0.00
Per Capita Fee	8,200			\$0.00
NAV Fee		\$650,000,000.00		\$0.00
Other Fee				
COMBINED TOTAL				\$0.00

Section 5: Education Services

5.1. Education Services to Decisions Makers	
A. What training will you provide to the City's decision-making committee regarding:	
1. Fiduciary responsibilities (404c)?	
2. Legislative requirements?	
3. Regulatory requirements?	
4. Investment policy review?	
5. Plan document / provider contract alignment?	
6. SDBA documents and parameters?	
7. New training for incoming decision-makers?	
8. Plan investment performance monitoring and evaluation?	
9. Development of participant training?	
10. Provider performance review?	
11. Reviewing "socially responsible" funds?	
12. Distributions for unforeseeable emergencies ("hardship" withdrawals)?	
B. Identify services you will provide regarding legislative / legal updates, information regarding Internal Revenue Code changes affecting 457 plans, information regarding Treasury Regulations affecting 457 plans. Identify a contact person for these services.	
5.2. Education Services to Participants (Employees / Retirees)	
A. Identify education / informational materials you propose for City / plan participants as they pertain to:	
1. Newly hired employees	
2. Participant investment strategies, including the use of Lifestyle options and catch-up provisions	
3. Investment advice services	
4. SDBA options	
5. Distribution options	
6. "Socially responsible" investment options	
B. Will you provide a customized internet site for City employees and retirees?	
C. What fees, if any, are charged for the services you listed above.	

SECONDARY SELECTION CRITERIA

Section 6: Support Services

6.1. General Services		
A. Identify dedicated staff's name, job title, address, phone, fax and E-mail numbers and hours of operation for all staff that will provide direct service to the City.		
B. Will you provide seminars / meetings at sites and times (including after hours) designated by the City for City employees and retirees covering:		
1. Basic deferred compensation information?	Yes ()	No ()
2. Investment and financial planning?	Yes ()	No ()
3. Retirement planning?	Yes ()	No ()
4. Distribution planning?	Yes ()	No ()
C. Will you fully pay the cost of forms, brochures and informational material for deferred compensation participants?	Yes ()	No ()
D. Do you use a laptop for on-site appointments that develop scenarios for participants regarding impact on taxes from different contributions / distributions?	Yes ()	No ()
E. Are you willing to be on site at the City on a weekly basis?	Yes ()	No ()
6.2. Phone Services		
A. List 800 number(s) for participants.		
B. List transactions which can be conducted entirely by phone		
C. List all information available by phone.		
D. Identify Pacific Time hours when phone services are available on weekdays and weekends?	1. Weekday Hours Availability 2. Weekend Hours Availability	
6.3. Voice Response Unit (VRU) Services		
A. List transactions which can be conducted entirely through the VRU.		
B. List all information provided by VRU.		
6.4. Internet Services		
A. List Internet address and all transactions that can be completed on Internet.	Web Site: Transactions:	
B. Identify Security precautions for internet services. Describe all security protocols.		
6.5. Loans		
A. Describe your program for providing loans to participants.		

B. Describe any fees associated with the program and whether the fees are guaranteed through the term of the agreement.		
C. Describe the loan administration services you provide.		
D. Describe the loan administration services are the responsibility of the City.		
6.6. Hardship Withdrawals		
A. Describe the administrative services you provide with respect to unforeseeable emergencies (hardship withdrawals).		
B. Describe the procedures you utilize to ensure that only applications meeting the requirements of the Treasury Regulations are approved.		
C. If you provide hardship withdrawal administration, what are the fees for this service?		
6.5. Special Services		
A. What video or web educational material can be provided to the City for use on an on-demand basis by employees / retirees?		
B. Can you accept and remit same day funds by wire transfer? If yes, at what cost?	Yes ()	No ()
C. Do you impose a limit on the number of times a retiree can change distribution amounts during the year? If yes, what is the limit?	Yes ()	No ()
D. Is there a cost to retirees for changing the amount of distribution? If yes, what is the cost?	Yes ()	No ()
E. Within this grid or in a clearly marked attachment, list all sub-contractors for work related to the City's account and describe services to be performed by the sub-contractors		

Section 7: Information Services / Reports

7.1. Special Services		
A. Identify what annual audit of the plan sponsor's plan, do you provide to employers (please provide in an exhibit		
B. Can you provide, conduct and tabulate City-specific surveys to determine customer satisfaction?		
C. What are the fees if you conduct a survey after 6 months from implementation and again annually through the term of the agreement?		
7.2. Employer Information / Reports		
A. Provide sample reports (in an appendix) that you routinely provide to employers including:		
1. Individual account and total of all accounts		
2. Number of participants and total dollars by provider / fund / options		
3. Monthly performance report		
B. Do your reports include:		
1. Beginning balance?	Yes ()	No ()
2. Contributions (by pay period)?	Yes ()	No ()
3. Detailed transfers in (by individual)?	Yes ()	No ()
4. Detailed transfer out (by individual)?	Yes ()	No ()
5. Withdrawals (by individual)?	Yes ()	No ()
6. Earnings (total and by individual)?	Yes ()	No ()
7. Ending balance (total and by individual)?	Yes ()	No ()
C. The City wishes to obtain report information electronically and to access provider systems for ad hoc reporting. Are you able to provide this service? If yes, describe the process for accessing your system.	Yes ()	No ()
D. Do you provide the following:		
1. Copy of canceled checks, other documents for disbursements?	Yes ()	No ()
2. Notice of share price splits, fund objective changes, or any other fund changes?	Yes ()	No ()
3. Quarterly investment holding report (% in stocks, % in bonds, cash balance)?	Yes ()	No ()
E. Ad-Hoc Reports		
1. Will you provide ad-hoc reports to the City?	Yes ()	No ()
2. If so, describe your ad-hoc report pricing.		

F. Do you provide reports on individuals who: 1. Defer distribution? 2. Begin distributions after separation? 3. Receive hardship withdrawals?	Yes () Yes () Yes ()	No () No () No ()
7.3. Participant Statements		
A. Are you able to provide quarterly statements to participants? If yes, provide a sample report.	Yes ()	No ()
B. Do you confirm participant selection of beneficiary / investment(s) on enrollment?	Yes ()	No ()
7.4. Banking		
A. Who provides banking services?		
B. Can bank accept and remit same day services?	Yes ()	No ()
7.5. Plan / Participant Enhancement Services		
The City is interested in working with its provider(s) to capture information that will provide the basis for improving plan participants, contribution levels, selection and diversification of assets by participants. Can you provide annual reports comparing the City's and your book of business' plan characteristics covering:		
A. Dollar contributions by participants by: 1. Age 2. Gender 3. Salary 4. Years of Service	Yes ()	No ()
B. Average number of investment options per participant?	Yes ()	No ()
C. Diversity of investment options per participant?	Yes ()	No ()
D. Number of participants re-balancing accounts annually?	Yes ()	No ()
E. Number of individuals moving from Stable Value or Fixed Income options to other options?	Yes ()	No ()
F. Number of individuals participating in regular catch-up?	Yes ()	No ()
G. Number of employees (age 50+) participating in catch-up	Yes ()	No ()
H. Number of retirees rolling assets into individual accounts?	Yes ()	No ()
I. Amount of assets being rolled by retirees into individual accounts?	Yes ()	No ()
J. Number of participants using investment advice services?	Yes ()	No ()
K. Number of investment advice users who make modifications based on advice?	Yes ()	No ()

Section 8: Transition Services / Support

The period from the execution of an agreement (estimated June 2006) and October 1, 2006 is the initial transition period. The questions below are specifically directed to strategies and services and action steps to be provided by the respondent during the initial transition and any transition to a new provider at the end of the agreement.

8.1 Staff Support During Initial Transition		
A. Identify staff you will provide during the initial transition and their qualifications.		
B. Identify Full Time Equivalent (FTE) hours available during transition.		
8.2 Initial Transition Communication Plans		
A. Provide a detailed separate transition plan for employees and retirees for the initial transition containing:		
1. Major tasks in transition / support,		
2. Your and City's personnel who must assume primary responsibility for each task.		
3. Target date for completion of tasks.		
B. Provide a communication plan (linked to the items in A above) for employees and retirees containing at least the following:		
1. Information to be communicated.		
2. Method (i.e., written, electronic, meeting) of communication.		
3. Primary responsibility.		
4. Estimated time frame.		
8.3 Other Initial Transition Support Services		
A. Describe how retirees will be assured of uninterrupted receipt of distribution during the initial transition, including:		
1. How will distribution amounts be determined?		
2. How will timing of distributions be coordinated?		
3. What information will be provided to retirees regarding distribution?		
B. How will new investment options be described / communicated to participants?		
C. Are there any set up, or initial account fees?	Yes ()	No ()

8.4. Reports During Initial Transition		
A. Identify the following reports you can provide during the transition period. Please explain any requirements you cannot meet.		
1. Monthly summary and detailed balance information.		
2. Summary of all transactions.		
3. Detail of activities by provider / fund.		
4. Individual accounts total by provider / fund.		
5. Report of "after close activities".		
8.5. Deferred Compensation Conversions		
A. Identify at least one major transition in which your firm has participated within the last 5 years		
B. Identify contact person / current number.		
8.6 Final Transition Services		
In the event this agreement expires or is otherwise terminated, describe the services you will provide regarding the following.		
A. Services prior to release of a Request for Proposals for a successor provider		
1. Will you disclose the following on disk or internet no later than 30 days from requested date by City and/or consultants:		
a. Individual account balances and transactions in the previous quarter of the request date?	Yes ()	No ()
b. All fees and charges associated with the current 457 plan?	Yes ()	No ()
c. Status of all individual accounts not yet in distribution?	Yes ()	No ()
d. Electronic Copy of the City's Summary Plan Document?	Yes ()	No ()
2. What funds are you willing to put at risk for failing to provide the above information by the deadline?		
B. Will you provide the following services at the end of the contract should you not be selected as the successor to provide 457 services:		
1. Quarterly transaction reports covering current payments to providers?	Yes ()	No ()
2. Overnight electronic transmission of all current accounts to a designated provider?	Yes ()	No ()
3. Electronic information of the previous 12 months payments, including last payment, of accounts in distribution?	Yes ()	No ()

C. What funds will you to place at risk if you fail to provide the above information by the deadline?	
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Section 9: Performance Standards / Guarantees

Below is a list of performance standards, dates and guaranteed amounts for proposed services. For each service, the date will represent the date service will be provided. For each service, the guarantee will be the amount of dollars payable if the standard is not met by the specified time.

Respondents will confirm their acceptance of the standard (as well as date and guarantee amount) by checking “will meet”. If respondent is “unable to meet” the standard, date or guarantee or chooses to “exceed” the standard, an explanation and proposed alternative standard / date / guarantee must be provided.

Performance standards will be measured by mutually agreeable criteria. Where information regarding service performance is measured by the provider, provider must propose a specific method / criteria for assessing compliance to standard.

9.1. Transition Services (period from formal approval to fund transition)	
A. Pre-Transition Services Standard: Assure attendance at finalist meetings by representatives who will provide direct transition and ongoing services. Date: Finalist Meeting Guarantee: N/A	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
B. Standard: Return phone calls from employer contact designee within 24 hours <u>and</u> propose method of measuring standard. Date: Transition Period. Guarantee: \$100 per incident for failure to return phone calls from employer contact designee within 24 hours.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
C. Standard: Respond, in writing with a copy to the employer, to phone or in-person complaints within 5 business days. Date: Transition Period. Guarantee: \$100 per incident of failure to respond to complaint within specified time.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
D. Standard: Comply with Sarbanes-Oxley Act requirements regarding notification of blackout period. Date: Transition period. Guarantee: \$1,000 plus the equivalent of any penalties that are assessed.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
E. Standard: Finalize and publish performance standards and guarantees. Date: Provide final copy to employer within 30 days of being selected by employer. Guarantee: \$500	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
F. Standard: Provided agreed upon training to employees and retirees within initial transition period. Date: Transition period. Guarantee: \$1,000	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed

9.2. Transition Exit (period from notification of non-renewal to fund transition)	
<p>A. Standard: Upon termination, provide: 1) last four quarters of transaction reports, 2) current account balances, 3) past 12 months distribution and deferral information and 4) loan or other outstanding payment amounts.</p> <p>Date: Within 30 business days after termination, provide report on disk, tape or internet.</p> <p>Guarantee: \$1,000 for initial failure to provide and \$500 per day thereafter.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
<p>B. Standard: Upon termination, provide information as described in Section 8 on disk, tape or internet.</p> <p>Date: Within 30 days of request.</p> <p>Guarantee: \$1,000 on failure to provide information within timeframe.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
9.3. Customer Services	
<p>A. Standard: Telephone calls to service center(s) will be answered within 90 seconds 90% of the time. (Propose method of measuring standard).</p> <p>Date: Quarterly summary / review due before the end of the month following the quarter.</p> <p>Guarantee: \$1,000 per year for failure to meet annual, calendar year average.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
<p>B. Standard: Participant statements will be mailed within 10 business days after quarter-end.</p> <p>Date: Quarterly.</p> <p>Guarantee: \$5 per participant per quarter for each statement postmarked later than 10 business days after the last day of the quarter.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
<p>C. Standard: Finalize customized website within parameters specified in 5.2B site providing hot link between employer and provider websites and draft participant communication advertising site content and way to access.</p> <p>Date: Due by 3rd month after implementation.</p> <p>Guarantee: \$500 for failure to provide live web site and participant announcement by end of 3rd month after implementation.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
<p>D. Standard: Process investment fund transfers, contribution reconciliation and posting within one business day <u>and</u> propose method of measuring standard.</p> <p>Date: Annual report due 31 days after each 12 month period from fund transition.</p> <p>Guarantee: Maximum \$1,000 for failure to meet agreed-upon standard.</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>
<p>E. Standard: Process hardship distributions, rollover requests, in-service distributions, retiree distribution requests within 5 working days of receipt of acceptable</p>	<p>() Will meet</p> <p>() Unable to meet</p> <p>() Will exceed</p>

documentation <u>and</u> propose method of measuring standard. Date: Annual summary of performance by provider. Guarantee: \$1,000 annually for failure to meet standard in 90% of actions.	
F. Standard: Review plan documents, identify policy issues between employer and provider and summarize, in writing, any recommended changes to documents. Date: Within 180 days of fund transition. Guarantee: \$500 for failure to meet standard.	() Will meet () Unable to meet () Will exceed
G. Standard: Review investment policy and summarize, in writing, any recommended changes. Date: Annually within 60 days of the DCAC's acceptance of fund evaluation results. Guarantee: \$500 for failure to provide review / summary within specified timeframe.	() Will meet () Unable to meet () Will exceed
H. Standard: Provide written proposal of services and draft plan for ongoing participant communication utilizing internet educational resources (e.g. internet or computer based training). Date: Within 180 days of fund transition. Guarantee: \$500 for failure to provide proposal within timeframe.	() Will meet () Unable to meet () Will exceed
9.4 Reports	
A. Standard: Provide written summary of Quarterly Reports (as described in Section 7.2) to employer. Date: Mailed within 30 days of quarter-end. Guarantee: \$500 per failure to provide reports by specified date.	() Will meet () Unable to meet () Will exceed
B. Standard: Provide written draft proposal for recommended reports that will be available to employer online (internet) including proposed access protocols. Date: Within 90 days of fund transition. Guarantee: \$500 for failure to provide written draft proposal within specified time.	() Will meet () Unable to meet () Will exceed
C. Standard: Conduct training of employer-designated personnel regarding access to online reports and use of reporting capability. Date: Within 120 days of fund transition Guarantee: \$500 for failure to provide training within specified time.	() Will meet () Unable to meet () Will exceed
9.5. Surveys	
A. Standard: Draft survey. Date: Draft due by end of 4 th month after implementation. Guarantee: \$500 if failure to provide draft survey.	() Will meet () Unable to meet () Will exceed
B. Standard: Distribute survey to all plan participants. Date: Distribution by end of 6 th month after	() Will meet () Unable to meet

implementation. Guarantee: \$500 if failure to mail 30 days from date of final agreed upon survey content.	() Will exceed
C. Standard: Analyze survey results, provide executive summary and recommended actions. Date: Complete by end of 8 th month after implementation. Guarantee: \$1,000 if Executive Summary and Recommended Actions is not provided within timeframe.	() Will meet () Unable to meet () Will exceed
D. Standard: Repeat survey process steps described above for surveys at 24 and 36 months after implementation. Date: Executive Summary and Recommended Actions due by end of 24 th and 36 th month after implementation. Guarantee: \$1,000 for failure to provide Executive Summary and Recommended Actions by 24 th and 36 th month.	() Will meet () Unable to meet () Will exceed
9.6. Educational Services	
A. Standard: Provide training to all decision-makers and administrative staff on 404(c) requirements. Date: 90 days after fund transition. Guarantee: \$500 for failure to provide on-site training within timeframe.	() Will meet () Unable to meet () Will exceed
B. Standard: Propose and schedule first year on-site training sessions and content of training for decision-makers and administrative personnel. Date: Proposal within 90 days after fund transition and educational programs quarterly thereafter. Guarantee: \$500 for failure to provide proposed training and \$500 for failure to provide four training sessions in any year of contract.	() Will meet () Unable to meet () Will exceed
C. Standard: Develop and schedule new decision-maker training for employer identified new Committee members or administrative staff. Date: Provide half-day on-site training for identified new personnel within 30 days of notification by the City. Guarantee: \$500 for failure to provide training within specified timeframe.	() Will meet () Unable to meet () Will exceed
D. Standard: After implementation, provide mutually agreeable number of educational seminars annually on site to participants. Date: Proposed schedule due within 90 days after fund transition. Guarantee: \$1,000 for failure to provide agreed-upon number of onsite group seminars.	() Will meet () Unable to meet () Will exceed
E. Standard: After implementation, provide newsletters to plan participants regarding plan benefits / issues. Date: Quarterly.	() Will meet () Unable to meet () Will exceed

Guarantee: Annual \$500 penalty for failure to provide quarterly newsletters	
F. Standard: Provide representative on site for mutually agreeable number of days per month to meet with plan participants. Date: Monthly. Guarantee: \$1,000 per year if agreed-upon number of days is not provided for 3 or more months.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
G. Standard: Provide draft PowerPoint and / or other communication material for transition specifically proposed for group meetings for employees / retirees. Date: 30 Days after execution of agreement. Guarantee: \$500 for initial failure to provide within 30 days after execution of agreement and \$100 per day thereafter.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
H. Standard: Draft communication to plan participants describing investment advice services and access. Date: Within 60 days of fund transition. Guarantee: \$500 for initial failure to provide within 60 days after fund transition and \$100 per day thereafter.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
I. Standard: Recommend, in writing, steps provider and employer may take to communicate and coordinate information regarding defined benefits offered through the employer and available fund options. Date: Within 180 days of fund transition. Guarantee: \$1,000 for failure to provide within specified time.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
J. Standard: Provide one half-day session per quarter to employer decision-making and administrative personnel on mutually agreeable topics. Date: Quarterly. Guarantee: \$250 per quarter if education session is not provided.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
9.7. Miscellaneous Performance Standards / Guarantees	
A. Standard: Provide web site copy listing final agreed-upon Performance Standards / Guarantees. Date: Implementation Date and 30 days after any mutually agreed-upon revisions. Guarantee: \$500 for each failure to provide web-ready document to employer.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed
B. Standard: Provide annual written summary of all Performance Standards / Guarantees categories and results to employer and as a web document for communication to plan participants. Date: 30 days after annual anniversary of implementation. Guarantee: \$1,000 for failure to provide web-ready document within specified timeframe.	<input type="checkbox"/> Will meet <input type="checkbox"/> Unable to meet <input type="checkbox"/> Will exceed

Section 10: References

List references described below. The names and phone numbers listed below must be current names and numbers. You may contact references to: 1) assure accuracy of information below and 2) notify references that they will be contacted by the City.

List 3 General References (Name, Address, Phone)
1.
2.
3.
List Last 2 Accounts of Similar Size Implemented
1.
2.
List all accounts cancelled/not renewed in last five years (Name, Address, Phone)
1.
2.
3.
4.

Section 11: Exceptions

The following are included in the Request for Proposals.

- Exemplar Agreement
- Insurance Requirements
- Conflicts of Interest
- Gift Ordinance & Code of Ethics

List all exceptions to the above items by identifying the specific provisions by document, by page and by line number where possible.

Each exception must be presented separately by stating the specific exception and suggested changes related to the exception.

Attach additional pages if necessary. Each additional page must be clearly identified.

Section 12: Conflicts of Interest Form

To be completed by the individual signing the proposal.

NAME

DATE

PROPOSED ASSIGNMENT:

Provider for City of San José Deferred Compensation Plans

In order for the City to assess whether the personnel proposed to be assigned by the successful Proposer to work on the Proposed Assignment have a conflict of interest, this form must be completed by each person that the Proposer intends to assign.

Questions	Yes (Provide Details)	No
1. Do you have any official, professional, financial or personal relationships with any person or firm that might affect your judgment or your ability to provide services to the City that are fair and impartial?		
2. Stock and Investments (a) Do you own any stock in any company likely to be affected by or involved in the Proposed Assignment? (b) Does your spouse or a dependent own any stock in company likely to be affected by or involved in the Proposed Assignment? (c) Do you hold any investments in any entity (e.g. partnership, limited liability company, or a trust) likely to be affected by or involved in the Proposed Assignment? (d) Does your spouse or a dependent hold any investments in any entity (e.g. partnership, limited liability company, or a trust) likely to be affected by or involved in the Proposed Assignment? If the answer is yes to any of the above questions, please provide the name of the company and the amount of the stock or investment.		
3. Employment & Consulting (a) Is your spouse or a dependent employed/retained by anyone likely to be affected by or involved in the Proposed Assignment? (b) Has your spouse or dependent been previously employed/retained by anyone likely to be affected by or involved in the Proposed Assignment?		

<p>(c) Have you been employed/retained by anyone likely to be affected by or involved in the Proposed Assignment?</p> <p>If the answer is yes to any of the above questions, please provide name of employer, nature of services provided and if the dates employed or retained</p>		
<p>4. Payments or Gifts</p> <p>(d) Within the past 12 months, have you received any payments or gifts from anyone likely to be affected by or involved in the Proposed Assignment?</p> <p>(e) Within the past 12 months, has your spouse or a dependent received any payments or gifts from anyone likely to be affected by or involved in the Proposed Assignment?</p> <p>If the answer is yes, please provide the amount the payment or value of the gift, the name and position of the payor/donor and the date of receipt.</p>		
<p>5. Real Estate</p> <p>(a) Do you own real property that is likely to be affected by or involved in the Proposed Assignment?</p> <p>(b) Does your spouse or a dependent own real property that is likely to be affected by or involved in the Proposed Assignment?</p> <p>If the answer is yes, please provide the location of the property.</p>		
<p>6. Positions</p> <p>(a) Do you currently hold a position (e.g. member of a board of directors) of any entity (e.g. a company, partnership, association, nonprofit) that is likely to be affected by or involved in the Proposed Assignment?</p> <p>(b) Does your spouse or a dependent hold a position (e.g. member of a board of directors) of any entity (e.g. a company, partnership, association, nonprofit) that is likely to be affected by or involved in the Proposed Assignment?</p> <p>If the answer is yes, please provide the name of the entity, and the title of the position held.</p>		

If during the course of the evaluation any personal, external, or organizational impairment should occur that may affect your ability to do the work and report findings impartially, notify the Program Manager immediately.

Signature

Print Name

Date

Section 13: Local/Small Business Preference Form

See next page.

(ATTACHMENT D)

City of San José

Request for Contracting Preference for Local and Small Business

Chapter 4.06 of the San Jose Municipal Code provides for a preference for Local and Small Businesses in the procurement of contracts for supplies, materials and equipment and for general and professional consulting services. The amount of the preference depends on whether the vendor qualifies as a Local Business Enterprise* or Small Business Enterprise **.

In order to be a Local Business Enterprise (LBE) you must have a current San Jose Business Tax Certificate Number and have an office in the Santa Clara County with at least one employee. If you qualify as an LBE you can also qualify as a Small Business Enterprise (SBE) if the total number of employees (regardless of where they are located) of your firm is 35 or fewer.

The following determinations have been made with respect to this procurement: (for official use only)

Type of Procurement:	<input type="checkbox"/> Bid	<input type="checkbox"/> Request for Quote	<input checked="" type="checkbox"/> Request for Proposal
Type of Preference:	<input type="checkbox"/> Price is Determinative		<input checked="" type="checkbox"/> Price is Not Determinative
Amount of Preference:	LBE preference = 2.5% of Cost SBE preference = 2.5% of Cost		LBE preference = 5% of Points SBE preference = 5% of Points

In order to be considered for any preference you must fill out the following statement(s) under penalty of perjury.

Business Name:			
Business Address:			
Telephone Number:			
Type of Business:	<input type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> LLP
	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other (explain)

*** LOCAL BUSINESS ENTERPRISE LBE PREFERENCE**

In order to qualify as an LBE you must provide the following information:

Current San Jose Business Tax Certificate Number:

Address of Principal Business Office or Regional, Branch or

Satellite Office with at least one employee located in Santa

Clara County:

**** SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE**

In order to qualify as an SBE you must qualify as an LBE and have 35 or fewer employees. This number is for your entire business – NOT just local employees, or employees working in the office address given above.

Please state the number of employees that your business has:

Based on the forgoing information I am requesting that the business named above be given the following preferences (please check): ☐ Local Business Enterprise ☐ Small Business Enterprise

I declare under penalty of perjury that the information supplied by me in this form is true and correct.

Executed at: _____, California

Date: _____

Signature: _____

Print Name: _____